

BEFORE THE DEPARTMENT OF JUSTICE  
OF THE STATE OF MONTANA

In the matter of the proposed adoption of ) NOTICE OF PUBLIC HEARING  
NEW RULE I procedure for providing ) ON PROPOSED ADOPTION  
notice to multi-game machine owners and )  
lessees to connect to an approved )  
accounting and reporting system )

TO: All Concerned Persons

1. On April 2, 2008, at 9:30 a.m., the Montana Department of Justice will hold a public hearing in the conference room at the Gambling Control Division, 2550 Prospect Avenue, Helena, Montana, to consider the proposed adoption of the above-stated rule.

2. The Department of Justice will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, contact the department no later than 5:00 p.m. on March 27, 2008, to advise us of the nature of the accommodation that you need. Please contact Rick Ask, Gambling Control Division, 2550 Prospect Avenue, P.O. Box 201424, Helena, MT 59620-1424; telephone (406) 444-1971; fax (406) 444-9157; Montana Relay Service 711; or e-mail rask@mt.gov.

3. The proposed new rule provides as follows:

NEW RULE I PROCEDURE FOR PROVIDING NOTICE TO MULTI-GAME MACHINE OWNERS AND LESSEES TO CONNECT TO AN APPROVED ACCOUNTING AND REPORTING SYSTEM (1) The department shall provide notification for connection to an approved system, as required by ARM 23.16.2101(3) and (4), according to the multi-county districts established by Executive Order 2-71 and Executive Order 7-73. The department shall give priority to those multi-county districts, or combination of districts where, as of March 1, 2008, the greatest number of video gambling machines committed by agreement to connect to an approved reporting system, but not yet connected, are located. (2) The notification and begin-reporting schedule shall be as follows:

<u>District(s)</u>	<u>Notice Date</u>	<u>Begin-Reporting Date</u>
7	May 1, 2008	October 1, 2008
11	August 1, 2008	January 1, 2009
10	November 1, 2008	April 1, 2009
8, 12	February 1, 2009	July 1, 2009
5, 4	May 1, 2009	October 1, 2009
1, 2, 3	August 1, 2009	January 1, 2010
6, 9	November 1, 2009	April 1, 2010

(a) District 7 includes: Big Horn, Carbon, Stillwater, Sweet Grass, and Yellowstone counties. District 11 includes: Mineral, Missoula, and Ravalli counties. District 10 includes: Flathead, Lake, Lincoln, and Sanders counties. District 8 includes: Broadwater, Jefferson, and Lewis and Clark counties. District 12 includes: Beaverhead, Deer Lodge, Granite, Madison, Powell, and Silver Bow counties. District 5 includes: Cascade, Chouteau, Glacier, Pondera, Teton, and Toole counties. District 4 includes: Blaine, Hill, and Liberty counties. District 1 includes: Daniels, Phillips, Roosevelt, Sheridan, and Valley counties. District 2 includes: Dawson, Garfield, McCone, Prairie, Richland, and Wibaux counties. District 3 includes: Carter, Custer, Fallon, Powder River, Rosebud, and Treasure counties. District 6 includes: Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, and Wheatland counties. District 9 includes: Gallatin, Meagher, and Park counties.

(3) A machine owner who has received a notice to connect may request, in writing, one 90-day postponement of the begin-reporting date upon a demonstration, in writing, of hardship.

(4) A machine owner or lessee who chooses to not connect to an approved reporting system, as provided by these rules, must remove the multi-game software from the video gambling machines, and provide written notice to the department as required by ARM 23.16.1822, at least 30 days prior to the applicable begin-reporting date established in (2).

AUTH: 23-5-115, 23-5-621, MCA  
IMP: 23-5-637, MCA

**RATIONALE AND JUSTIFICATION:** The proposed new rule is reasonable because it sets out a process by which video gambling machine owners and operators will be given notice to connect to, and begin reporting under, an approved reporting system as required by ARM 23.16.2101(3). The notification procedure established in the rule utilizes the state's multi-county districts which were specifically established to facilitate planning and program coordination, administration, and delivery of government services within the state. The rule will serve to give advance notice to machine owners and lessees, by multi-county district, of the times they will be called upon to connect to, and begin reporting under, an approved reporting system.

To implement the orderly and efficient notification process required by ARM 23.16.2101(3) and (4), the department examined, as of March 1, 2008, the number of video gambling machines within each of the multi-county districts which were committed by agreement to connect to an approved reporting system, but which had not yet connected. Because machine owners or lessees may voluntarily connect to an approved reporting system prior to receiving formal notification to do so, the rule establishes a schedule based upon the machine numbers identified on March 1, 2008. The schedule begins the notification process in the multi-county district where the greatest number of machines still obligated to connect to an approved reporting system are located. The schedule generally proceeds in descending order to the multi-county district or districts where the next highest number of machines still obligated to connect to an approved reporting system are located.

The division recognizes that circumstances may exist whereby the requirement to connect to an approved accounting system may pose a hardship. The rule, therefore, provides a means for machine owners or lessees to receive a 90 day postponement of the requirement to connect to, and begin reporting under, an approved system.

Finally, the rule recognizes some machine owners or lessees may choose to not connect to an approved system, and the rule provides procedures the machine owner or lessee must take to avoid their connection and reporting responsibilities under an approved accounting system.

4. Concerned persons may submit their data, views, or arguments concerning the proposed action either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to: Rick Ask, Gambling Control Division, 2550 Prospect Avenue, P.O. Box 201424, Helena, MT 59620-1424; fax (406) 444-9157; or e-mail [rask@mt.gov](mailto:rask@mt.gov), and must be received no later than April 10, 2008.

5. An electronic copy of this Notice of Proposed Adoption is available through the Department of Justice's web site at <http://doj.mt.gov/resources/administrativerules.asp>. The department strives to make the electronic copy of the Notice conform to the official version of the Notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the Notice and the electronic version of the Notice, only the official printed text will be considered. In addition, although the Department of Justice works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

6. The Department of Justice maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request which includes the name, e-mail, and mailing address of the person to receive notices and specifies that the person wishes to receive notices of rules regarding the Crime Control Division, the Central Services Division, the Forensic Sciences Division, the Gambling Control Division, the Highway Patrol Division, the Law Enforcement Academy, the Division of Criminal Investigation, the Legal Services Division, the Consumer Protection Division, the Motor Vehicle Division, the Justice Information Systems Division, or any combination thereof. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to Rick Ask, 2550 Prospect Avenue, P.O. Box 201424, Helena, MT 59620-1424; fax (406) 444-9157; or e-mail [rask@mt.gov](mailto:rask@mt.gov), or may be made by completing a request form at any rules hearing held by the Department of Justice.

7. The bill sponsor notice requirements of 2-4-302, MCA, do not apply.

By: /s/ Mike McGrath  
MIKE McGRATH  
Attorney General, Department of Justice

/s/ Ali Bovingdon  
ALI BOVINGDON  
Rule Reviewer

Certified to the Secretary of State March 3, 2008.